

**HACI ÖMER SABANCI HOLDİNG A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2010**

**(ORIGINALLY ISSUED IN TURKISH)**

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD 1 JANUARY - 31 MARCH 2010

<b>CONTENTS</b>	<b>PAGE</b>
<b>CONDENSED CONSOLIDATED BALANCE SHEETS .....</b>	<b>1-2</b>
<b>CONDENSED CONSOLIDATED STATEMENTS OF INCOME.....</b>	<b>3</b>
<b>CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME.....</b>	<b>4</b>
<b>CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY .....</b>	<b>5</b>
<b>CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS .....</b>	<b>6</b>
<b>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>7-57</b>
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS .....	7-8
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	9-21
NOTE 3 BUSINESS COMBINATIONS .....	21-22
NOTE 4 SEGMENT REPORTING.....	22-29
NOTE 5 FINANCIAL ASSETS .....	30-31
NOTE 6 BORROWINGS .....	32-34
NOTE 7 OTHER RECEIVABLES AND PAYABLES.....	34-35
NOTE 8 INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD.....	35-36
NOTE 9 PROPERTY, PLANT AND EQUIPMENT .....	37-38
NOTE 10 INTANGIBLE ASSETS.....	39
NOTE 11 GOODWILL .....	39
NOTE 12 CONTINGENT ASSETS AND LIABILITIES.....	39-41
NOTE 13 EQUITY .....	42-43
NOTE 14 DISCONTINUED OPERATIONS .....	44
NOTE 15 FINANCIAL INCOME/EXPENSES .....	44
NOTE 16 TAX ASSETS AND LIABILITIES.....	45-48
NOTE 17 DERIVATIVE FINANCIAL INSTRUMENTS.....	49
NOTE 18 RECEIVABLES FROM FINANCE SECTOR OPERATIONS.....	50-52
NOTE 19 PAYABLES FROM FINANCE SECTOR OPERATIONS.....	52
NOTE 20 RELATED PARTY DISCLOSURES .....	52-53
NOTE 21 FINANCIAL RISK MANAGEMENT.....	53-56
NOTE 22 EVENTS AFTER THE BALANCE SHEET DATE.....	57

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONDENSED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2010 AND 31 DECEMBER 2009

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	31 March 2010	31 December 2009
<b>ASSETS</b>			
<b>Current Assets</b>		<b>51.888.247</b>	<b>57.490.689</b>
Cash and Cash Equivalents		8.132.318	12.869.232
Financial Assets			
- Marketable Securities	5.a	454.951	240.062
- Available for Sale	5.b	6.202.248	6.880.750
- Held to Maturity	5.c	3.093.783	3.434.726
Derivative Financial Instruments	17	181.644	245.178
Reserve Deposits with the Central Bank of the Republic of Turkey		3.220.505	3.464.090
Trade Receivables		1.028.816	1.056.831
Receivables from Finance Sector Operations	18	27.068.605	26.913.934
Other Receivables	7	719.117	680.626
Inventories		877.773	823.244
Other Current Assets		464.518	455.945
		<b>51.444.278</b>	<b>57.064.618</b>
Non-current Assets Held for Sale	4.b	443.969	426.071
<b>Non-current Assets</b>		<b>64.001.598</b>	<b>54.435.623</b>
Trade Receivables		41.389	44.335
Receivables From Finance Sector Operations	18	20.447.706	17.992.319
Other Receivables	7	186.861	204.016
Financial Assets			
- Available for Sale	5.b	30.401.191	22.322.162
- Held to Maturity	5.c	5.987.128	6.978.702
Investments Accounted Through Equity Method	8	183.349	304.662
Investment Property		374.030	368.488
Property, Plant and Equipment	9	4.082.669	3.961.411
Intangible Assets	10	1.057.210	1.056.632
Goodwill	11	709.636	706.354
Deferred Income Tax Assets	16	530.429	496.542
<b>Total Assets</b>		<b>115.889.845</b>	<b>111.926.312</b>

This condensed consolidated interim financial information has been approved by the Board of Directors on 14 May 2010 and signed on its behalf by Cezmi Kurtuluş, Budgeting Accounting and Consolidation Head and Reha Demiröz, Budgeting Accounting and Consolidation Director.

The accompanying notes form an integral part of these consolidated financial statements.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONDENSED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2010 AND 31 DECEMBER 2009

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	31 March 2010	31 December 2009
<b>LIABILITIES</b>			
<b>Short Term Liabilities</b>		<b>87.959.363</b>	<b>84.528.035</b>
Financial Liabilities	6	6.295.285	5.149.488
Current Portion of			
Long-term Financial Liabilities	6	784.931	862.259
Trade Payables		974.603	996.367
Other Payables	7	3.013.613	2.694.581
Payables from Finance Sector Operations	19	75.069.615	73.367.719
Derivative Financial Instruments	17	899.857	773.925
Income Taxes Payable	16	413.906	202.748
Other Short Term Liabilities		218.778	213.000
		<b>87.670.588</b>	<b>84.260.087</b>
Liabilities Associated with Non-current Assets Held for Sale		288.775	267.948
<b>Long Term Liabilities</b>		<b>6.321.851</b>	<b>6.709.700</b>
Financial Liabilities	6	4.476.694	4.569.513
Trade Payables		2.840	2.371
Other Payables	7	209.559	434.366
Payables from Finance Sector Operations	19	1.081.766	1.176.368
Derivative Financial Instruments		50.910	26.655
Provision for Employment Termination Benefits		112.715	111.332
Deferred Income Tax Liabilities	16	387.367	389.095
<b>EQUITY</b>		<b>21.608.631</b>	<b>20.688.577</b>
<b>Shareholders' Equity</b>	<b>13</b>	<b>11.741.243</b>	<b>10.947.422</b>
Share Capital	13	2.040.404	1.900.000
Capital Investment Adjustment (-)	13	(21.534)	-
Share Premium	13	21.670	21.670
Revaluation Funds	13	226.608	157.430
Adjustment to Share Capital	13	3.426.761	3.426.761
Restricted Reserves	13	371.648	371.648
Translation Reserve	13	(57.109)	(52.046)
<b>Net Income for the Period</b>	<b>13</b>	<b>497.384</b>	<b>1.258.481</b>
<b>Retained Earnings</b>	<b>13</b>	<b>5.235.411</b>	<b>3.863.478</b>
<b>Minority Interests</b>		<b>9.867.388</b>	<b>9.741.155</b>
- Sabancı Family Members		3.143.191	3.128.810
- Others		6.724.197	6.612.345
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>115.889.845</b>	<b>111.926.312</b>
Contingent assets and liabilities	12		

The accompanying notes form an integral part of these consolidated financial statements.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2010 AND 2009

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	1 January- 31 March 2010	1 January- 31 March 2009
<b>CONTINUING OPERATIONS</b>			
Sales (net)	4	1.740.535	1.484.502
Interest, Premium, Commission and Other Income	4	3.174.017	3.295.744
<b>Total</b>		<b>4.914.552</b>	<b>4.780.246</b>
Cost of Sales (-)		(1.413.582)	(1.241.303)
Interest, Premium, Commission and Other Expenses (-)		(1.394.038)	(2.143.663)
<b>Total</b>		<b>(2.807.620)</b>	<b>(3.384.966)</b>
Gross Profit from Non-financial Operations		326.953	243.199
Gross Profit from Financial Operations		1.779.979	1.152.081
<b>GROSS PROFIT</b>		<b>2.106.932</b>	<b>1.395.280</b>
Marketing, Selling and Distribution Expenses (-)		(109.639)	(111.947)
General and Administrative Expenses (-)		(769.755)	(681.517)
Research and Development Expenses (-)		(3.001)	(4.248)
Other Operating Income		147.912	174.823
Other Operating Expenses		(37.820)	(65.798)
<b>OPERATING PROFIT</b>		<b>1.334.629</b>	<b>706.593</b>
Shares of Income of Investments			
Accounted Through Equity Method	8	51.697	33.163
Financial Income	15	155.613	129.456
Financial Expenses (-)	15	(157.203)	(190.068)
<b>NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>1.384.736</b>	<b>679.144</b>
<b>Tax income/ (expense) from continuing operations</b>			
Current Income Tax Expense		(294.119)	(200.270)
Deferred Income Tax Benefit	16	6.851	57.437
<b>NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>1.097.468</b>	<b>536.311</b>
<b>DISCONTINUED OPERATIONS</b>			
Net income/ (loss) after tax from discontinued operations	14	678	(7.748)
<b>NET INCOME FOR THE PERIOD</b>		<b>1.098.146</b>	<b>528.563</b>
<b>ALLOCATION OF NET INCOME</b>		<b>1.098.146</b>	<b>528.563</b>
- Minority interest		600.762	325.733
- Equity Holders of the Parent		497.384	202.830
Earnings per share			
- thousands of ordinary shares (TL)		2,36	0,96

The accompanying notes form an integral part of these consolidated financial statements.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONDENSED CONSOLIDATED INTERIM COMPREHENSIVE STATEMENTS OF INCOME FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2010 AND 2009

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Note References	1 January- 31 March 2010	1 January- 31 March 2009
<b>NET INCOME FOR THE PERIOD</b>		<b>1.098.146</b>	<b>528.563</b>
<b>Other Comprehensive Income/ (Loss):</b>			
Net unrealized fair value gains			
from available for sale financial assets, after tax	16	279.121	133.426
Losses on available for sale financial assets transferred to the income statement, after tax	16	(146.768)	(35.649)
Net gains included in the income statement due to transfer of available for sale financial assets into held to maturity assets, after tax	16	8.624	15.115
Currency translation differences	16	(9.933)	64.358
Cash flow hedges, after tax	16	1.125	(168.013)
Hedges of net investment in a foreign a foreign operation, after tax	16	27.391	(22.271)
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSE), (AFTER TAX)</b>		<b>159.560</b>	<b>(13.034)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1.257.706</b>	<b>515.529</b>
<b>ALLOCATION OF TOTAL COMPREHENSIVE INCOME</b>		<b>1.257.706</b>	<b>515.529</b>
- Minority interest		696.207	295.616
- Equity Holders of the Parent		561.499	219.913

The accompanying notes form an integral part of these consolidated financial statements.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2010 AND 2009

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Share capital	Capital investment adjustment (-)	Share premium	Revaluation funds	Adjustment to share capital	Restricted reserves	Translation reserve	Net income for the period	Retained earnings	Equity attributable to the parent	Minority interests	Total
<b>Balances at 1 January 2009</b>	<b>1.800.000</b>	-	<b>21.670</b>	<b>(93.842)</b>	<b>3.426.761</b>	<b>257.817</b>	<b>(75.359)</b>	<b>1.188.559</b>	<b>3.031.365</b>	<b>9.556.971</b>	<b>7.781.806</b>	<b>17.338.777</b>
Transfers	-	-	-	-	-	-	-	(1.188.559)	1.188.559	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(267.845)	(267.845)
Total comprehensive income	-	-	-	(27.811)	-	-	44.894	202.830	-	219.913	295.616	515.529
<b>Balances at 31 March 2009</b>	<b>1.800.000</b>	-	<b>21.670</b>	<b>(121.653)</b>	<b>3.426.761</b>	<b>257.817</b>	<b>(30.465)</b>	<b>202.830</b>	<b>4.219.924</b>	<b>9.776.884</b>	<b>7.809.577</b>	<b>17.586.461</b>
<b>Balances at 1 January 2010</b>	<b>1.900.000</b>	-	<b>21.670</b>	<b>157.430</b>	<b>3.426.761</b>	<b>371.648</b>	<b>(52.046)</b>	<b>1.258.481</b>	<b>3.863.478</b>	<b>10.947.422</b>	<b>9.741.155</b>	<b>20.688.577</b>
Transfers	140.404	(21.534)	-	-	-	-	-	(1.258.481)	1.139.611	-	-	-
Effect of change in the effective ownership of subsidiaries	-	-	-	-	-	-	-	-	232.322	232.322	(250.207)	(17.885)
Dividends paid	-	-	-	-	-	-	-	-	-	-	(319.767)	(319.767)
Total comprehensive income	-	-	-	69.178	-	-	(5.063)	497.384	-	561.499	696.207	1.257.706
<b>Balances at 31 March 2010</b>	<b>2.040.404</b>	<b>(21.534)</b>	<b>21.670</b>	<b>226.608</b>	<b>3.426.761</b>	<b>371.648</b>	<b>(57.109)</b>	<b>497.384</b>	<b>5.235.411</b>	<b>11.741.243</b>	<b>9.867.388</b>	<b>21.608.631</b>

The accompanying notes form an integral part of these consolidated financial statements.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2010 AND 2009

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes References	1 January- 31 March 2010	1 January- 31 March 2009
Net income before tax from continuing operations		1.384.736	679.144
Net income/ (loss) before tax from discontinued operations	14	1.056	(6.640)
<b>Adjustments to reconcile income before taxation to net cash provided by operating activities:</b>			
Provision for loan losses		186.653	448.082
Depreciation and amortisation expenses	4	99.032	95.011
Changes in the fair value of derivative instruments		213.721	143.913
Provision for employment termination benefits		8.763	12.919
Impairment charge on property, plant and equipment, intangible assets and investment property		235	407
Currency translation differences		(13.068)	34.943
Insurance technical reserves		48.552	75.447
Income from associates	8	(51.697)	(33.163)
Loss on sale and liquidation of subsidiaries		-	7.768
Loss/ (gain) on sale of property, plant and equipment, intangible assets and investment properties		247	(301)
Other		(13.738)	596
<b>Net cash provided by operating activities before changes in operating assets and liabilities</b>		<b>1.864.492</b>	<b>1.458.126</b>
Changes in trade receivables		30.961	(16.648)
Changes in inventories		(54.529)	94.410
Changes in other receivables and other current assets		(23.271)	(46.740)
Changes in trade payables		(21.295)	(205.660)
Changes in other liabilities and other payables		100.003	683.147
Net cash (used in)/ provided by operating activities of non-current assets held for sale		(15.508)	10.036
<b>Changes in assets and liabilities in banking segment:</b>			
Changes in marketable securities		(214.889)	43.855
Changes in receivables from financial operations		(2.796.711)	1.525.388
Changes in payables from financial operations		1.559.705	(2.099.372)
Changes in reserve with the Central Bank of the Republic of Turkey		243.585	813.636
Income taxes paid		(82.961)	(87.178)
Employment termination benefits paid		(7.380)	(12.892)
<b>Net cash provided by operating activities</b>		<b>582.202</b>	<b>2.160.108</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	4	(232.719)	(195.281)
Purchase of investment in available-for-sale and held-to-maturity securities		(5.934.023)	(1.231.501)
Cash used in business combinations		(7.363)	(930.909)
Proceeds from sale and liquidation of subsidiary		-	7.745
Proceeds from sale of property, plant and equipment, intangible assets and non-current assets held for sale		8.000	19.893
Dividends received		173.048	164.298
Net cash used in investing activities of non-current assets held for sale		(548)	(6.046)
<b>Net cash used in investing activities</b>		<b>(5.993.605)</b>	<b>(2.171.801)</b>
<b>Cash flows from financing activities:</b>			
Change in financial liabilities		975.650	681.096
Dividends paid to minority interests		(319.767)	(267.845)
Net cash used in financing activities of non-current assets held for sale		18.606	18.180
<b>Net cash provided by financing activities</b>		<b>674.489</b>	<b>431.431</b>
Net increase/ (decrease) in cash and cash equivalents		(4.736.914)	419.738
Cash and cash equivalents at the beginning of the period		12.869.232	7.665.059
<b>Cash and cash equivalents at the end of the period</b>		<b>8.132.318</b>	<b>8.084.797</b>

The accompanying notes form an integral part of these consolidated financial statements.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS

Hacı Ömer Sabancı Holding A.Ş. (the “Holding”) was established in 1967 to coordinate and perform liaison services regarding the activities of companies operating in various fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey and is owned by the members of the Sabancı family (Note 13). The average number of employees in 2010 is 56.023 (31 December 2009: 55.201). Holding’s registered address is as follows:

Sabancı Center, 4. Levent, İstanbul, Türkiye

The Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on the Istanbul Stock Exchange (“ISE”) since 1997. As of 31 March 2010, the Group’s principal shareholders and their respective shareholding rates in the Holding are as follows: (Note 13):

	%
Sabancı family members	43,60
Public quotation	39,42
Sakıp Sabancı Holding A.Ş.	13,79
Sabancı University	1,51
Çimsa	1,06
Hacı Ömer Sabancı Foundation	0,62
	<b>100,00</b>

#### Subsidiaries

The business nature of the business of the Subsidiaries consolidated in these consolidated financial statements and their respective business segments at 31 March 2010 are as follows:

Subsidiaries	Nature of business	Business segment
Akbank T.A.Ş. (“Akbank”)	Banking	Finance
Aksigorta A.Ş. (“Aksigorta”)	Insurance	Finance
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. (“Kordsa Global”)	Tire and tire reinforcement	Tire and tire reinforcement and automotive
Temsa Global A.Ş. (“Temsa Global”)	Automotive	Tire and tire reinforcement and automotive
Çimsa Çimento Sanayi ve Ticaret A.Ş. (“Çimsa”)	Cement and clinker	Cement
Teknosa İç ve Dış Ticaret A.Ş. (“Teknosa”)	Trade	Retailing
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (“Exsa”)	Trade	Other
Exsa UK Ltd. (“Exsa UK”)	Trade	Other
Ankara Enternasyonel Otelcilik A.Ş. (“AEO”)	Tourism	Other
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. (“Tursa”)	Tourism	Other
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş. (“Bimsa”)	Trade of data and Processing Systems	Other
Advansa B.V. (“Advansa”)	Textile	Other
Yünsa Yünlü Sanayi ve Ticaret A.Ş. (“Yünsa”)	Textile	Other

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

For the purposes of segment information, Holding’s stand-alone financial statements have been included within the “Other” business segment (Note 4).

All the Subsidiaries are registered in Turkey except for Exsa UK, Advansa (collectively referred to as the “Foreign Subsidiaries”). Exsa UK is registered in the United Kingdom, Advansa is registered in the Netherlands.

#### Joint Ventures

The nature of the business of the Joint Ventures proportionally consolidated in these consolidated financial statements at 31 March 2010 and, for the purposes of these consolidated financial statements, their respective business segments are as follows:

Joint Ventures	Nature of business	Segment	Venturer
Avivasa Emeklilik ve Hayat A.Ş. (“Avivasa”)	Pension	Finance	Aviva
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (“Brisa”)	Tire and tire reinforcement	Tire and tire reinforcement	Bridgestone
Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”)	Cement and clinker	Cement	Heidelberg
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (“Carrefoursa”)	Trade of consumer goods	Retailing	Carrefour
Diasa Dia Sabancı Süpermarketleri Ticaret A.Ş. (“Diasa”)	Trade of consumer goods	Retailing	Dia S.A.
Enerjisa Enerji Üretim A.Ş. (“Enerjisa”)	Energy production and sales	Energy	Verbund
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. (“ETS”)	Energy sales	Energy	Verbund
Enerjisa Elektrik Dağıtım A.Ş. (“EED”)	Energy sales	Energy	Verbund
Başkent Elektrik Dağıtım A.Ş. (“BEDAŞ”)	Energy sales	Energy	Verbund
Olmuksa International Paper Sabancı Ambalaj Sanayi ve Ticaret A.Ş. (“Olmuksa”)	Corrugated containers	Other	International Paper
Dönkasan Dönüşen Kağıt Hammaddeleri Sanayi ve Ticaret A.Ş. (“Dönkasan”)	Paper	Other	International Paper and Kartonsan

All the Joint Ventures are registered in Turkey.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

---

### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1 *Basis of presentation*

##### 2.1.1 **Financial Reporting Standards**

The Capital Markets Board of Turkey (“CMB”) regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”). This Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI-25 “The Financial Reporting Standards in the Capital Markets”. According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards (“IAS/IFRS”) endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board (“IASB”) are announced by Turkish Accounting Standards Board (“TASB”), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/ Turkish Financial Reporting Standards (“TAS/TFRS”) issued by the TASB which are in line with the aforementioned standards shall be considered.

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards the application of inflation accounting is no longer required. Accordingly, the Holding did not apply IAS 29 “Financial Reporting in Hyperinflationary Economies” issued by the IASB in its financial statements for the accounting periods starting 1 January 2005.

The Group has prepared its consolidated financial statements within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué in accordance with CMB Financial Reporting Standards which is based on IAS/IFRS. The consolidated financial statements and the related notes to them are presented in accordance with the formats recommended and including the information required by the CMB.

Holding, its Subsidiaries and Joint Ventures registered in Turkey maintain their books of accounts and prepare their statutory financial statements (“Statutory Financial Statements”) in TL in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance, applicable Turkish insurance laws for insurance companies and banking law, accounting principles and instructions promulgated by the Banking Regulation and Supervising Agency for banks and accounting principles issued by the CMB for listed companies. The foreign Subsidiaries and Joint Ventures maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1.2 Basis of consolidation

- a) The consolidated financial statements include the accounts of the parent company, Hacı Ömer Sabancı Holding A.Ş., its Subsidiaries and Joint Ventures (collectively referred to as the “Group”) on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements, and are prepared in accordance with CMB Financial Reporting Standards as explained in Note 2.1.1. The result of operations of Subsidiaries, Joint Ventures and Associates are included or excluded in these consolidated financial statements subsequent to the effective date of acquisition or date of sale, respectively.
- b) Subsidiaries are companies in which the Holding has the power to control the financial and operating policies for the benefit of the Holding, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or certain Sabancı family members and companies whereby the Holding exercises control over the voting rights of the shares held by them, or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of an actual dominant influence over the financial and operating policies.

The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and the effective interest of the Holding in these subsidiaries at 31 March 2010:

<b>Subsidiaries</b>	<b>Direct and indirect ownership interest by the Holding and its Subsidiaries</b> %	<b>Ownership interest shares held by Sabancı family members</b> %	<b>Proportion of ownership interest</b> %	<b>Proportion of effective interest</b> %
Advansa	100,00	-	100,00	99,93
AEO	70,29	-	70,29	70,29
Akbank (*)	40,85	16,38	57,23	40,78
Aksigorta	61,98	-	61,98	61,98
Bimsa	95,11	-	95,11	89,95
Çimsa	53,00	1,42	54,42	53,00
Exsa	45,70	54,30	100,00	30,25
Exsa UK	100,00	-	100,00	99,09
Kordsa Global	91,11	-	91,11	91,11
Teknosa	70,29	29,71	100,00	70,29
Temsa Global	48,71	51,28	99,99	48,71
Tursa	99,51	-	99,51	98,47
Yünsa	59,37	11,50	70,87	58,80

(\*) The effective ownership of Akbank in Holding share portfolio has been increased to 40.78% from 32.28% as a result of Akbank and Aviva shares which held in Aksigorta’s portfolio, and Akbank shares which are held in Exsa’s portfolio injected as capital in kind to Holding via spin-off process.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and the effective interest of the Holding in these subsidiaries at 31 December 2009:

<b>Subsidiaries</b>	<b>Direct and indirect ownership interest by the Holding and its Subsidiaries</b>	<b>Ownership interest shares held by Sabancı family members</b>	<b>Proportion of ownership interest</b>	<b>Proportion of effective interest</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Advansa	100,00	-	100,00	99,93
AEO	70,29	-	70,29	70,29
Akbank	40,85	16,38	57,23	36,80
Aksigorta	61,98	-	61,98	61,98
Bimsa	95,11	-	95,11	89,95
Çimsa	53,00	1,42	54,42	53,00
Exsa	45,70	54,30	100,00	30,25
Exsa UK	100,00	-	100,00	99,09
Kordsa Global	91,11	-	91,11	91,11
Teknosa	70,29	29,71	100,00	70,29
Temsa Global	48,71	51,28	99,99	47,66
Tursa	99,51	-	99,51	98,46
Yünsa	59,37	11,50	70,87	58,80

The balance sheets and statements of income of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Holding and its Subsidiaries is eliminated against the related shareholders’ equity. Intercompany transactions and balances between the Holding and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by the Holding in its Subsidiaries are eliminated from shareholders’ equity and income for the period, respectively.

Financial statements of subsidiaries, whose financial position at 31 March 2010 and result of operations for the three month period ended 31 March 2010 are insignificant to the overall consolidated financial statements, are not consolidated on the grounds of materiality. Such subsidiaries are classified as available for sale equity securities in these consolidated financial statements (Note 5.b).

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- c) Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Holding and one or more other parties. The Group’s interest in Joint Ventures is accounted for by way of proportionate consolidation. By this method, the Group includes its share of the assets, liabilities, income and expenses of each Joint Venture in the relevant components of the financial statements. The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 31 March 2010:

<b>Joint Ventures</b>	<b>Direct and indirect ownership interest by the Holding and its Subsidiaries</b>	<b>Proportion of effective interest</b>
	<b>%</b>	<b>%</b>
Akçansa	39,72	39,72
Avivasa (*)	49,83	49,83
Brisa	43,63	43,63
BEDAŞ	50,00	50,00
Carrefoursa	38,78	38,78
Diasa	40,00	40,00
Dönkasan	33,13	33,12
Enerjisa	50,00	50,00
ETS	50,00	50,00
EED	50,00	50,00
Olmuksa	43,73	43,73

(\*) As a result of Akbank and Aviva shares held in Aksigorta’s portfolio, and Akbank shares held in Exsa’s portfolio, injected as capital in kind to Holding via spin-off process, the total Avivasa shares previously held by Aksigorta by 49.83% are currently included in Holding’s share portfolio.

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 31 December 2009:

<b>Joint Ventures</b>	<b>Direct and indirect ownership interest by the Holding and its Subsidiaries</b>	<b>Proportion of effective interest</b>
	<b>%</b>	<b>%</b>
Akçansa	39,72	39,72
Avivasa	49,83	49,83
Brisa	43,63	43,63
BEDAŞ	50,00	50,00
Carrefoursa	38,78	38,78
Diasa	40,00	40,00
Dönkasan	33,13	33,12
Enerjisa	50,00	50,00
ETS	50,00	50,00
EED	50,00	50,00
Olmuksa	43,73	43,73

Sabancı family members do not have any interest in the share capital of Joint Ventures.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- d) Investments in Associates are accounted for by the equity method of accounting. These are entities over which the Holding generally has between 20% and 50% of voting rights, or over which the Holding has significant influence, but which it does not control. Unrealised gains that result from intercompany transactions between the Holding and its Associates are eliminated on consolidation, whereas unrealised losses are eliminated unless they do not address any impairment. Equity accounting is discontinued when the carrying amount of the investment in an Associate reaches zero, unless the Holding has incurred obligations or guaranteed obligations in respect of the Associates. Such Associates are accounted at fair value if the fair value can be determined objectively; otherwise, they are accounted at cost (Note 8 and Note 2.e).

Associates whose financial position at 31 March 2010 and result of operations for the three month period ended 31 March 2010 are insignificant to the overall consolidated financial statements are not accounted for by the equity method of accounting. Such Associates are classified as available for sale equity securities (Note 5.b).

The table below sets out all Associates and shows the total interest of the Holding in these associates at 31 March 2010 and 31 December 2009:

<b>Associates</b>	<b>Proportion of effective interest by the Holding %</b>
Philsa Philip Morris Sabancı Sigara ve Tütün San. ve Tic. A.Ş. (“Philsa”)	25,00
Philip Morris Sabancı Pazarlama Satış A.Ş. (“Philip Morrissa”)	24,75

Sabancı family members do not have any interest in the share capital of Associates.

- e) Other investments in which the Holding and its Subsidiaries, have interest below 20%, or over which the Holding does not exercise a significant influence, or which are immaterial, are classified as available for sale. Available for sale investments that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value. Available for sale investments that have a quoted market price in active markets and whose fair values can be measured reliably are carried at fair value (Note 5.b).
- f) The results of Subsidiaries are included or excluded from consolidation regarding to their effective dates of acquisition and disposal, respectively.

The portion of the profit or loss and net assets of Subsidiaries attributable to equity interests that are not owned, directly or indirectly through the Subsidiaries, by the parents, is presented as minority interest. Certain Sabancı family members, Sabancı Vakfi, a charitable foundation established by Sabancı family members and Akbank Tekaüt Sandığı, a retirement foundation for Akbank employees, have interests in the share capital of certain Subsidiaries and Associates. In these consolidated financial statements their interests are treated as minority interest and are not included in the Holding’s net assets and profits attributable to shareholders of the Holding.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1.3 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

##### 2.1.4 Comparatives and restatement of prior year financial statements

In order to allow for the determination of the financial situation and performance trends, the Group’s consolidated financial statements have been presented comparatively with the previous period. The Group presented the consolidated balance sheet as of 31 March 2010 comparatively with the consolidated balance sheet as of 31 December 2009 and presented the consolidated statement of income, statement of cash flows and statement of change in equity for the period 1 January- 31 March 2010 comparatively with the period 1 January - 31 March 2009.

##### 2.2 Changes in Accounting Policies

Significant changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. There has been no change in the accounting policies related to the interim period 1 January – 31 March 2010.

##### 2.3 Summary of Significant Accounting Policies

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34, the standard on the preparation and presentation of interim period financial statements. The accounting policies used in the preparation of the condensed interim consolidated financial statements for the period ended 31 March 2010 are consistent with those used in the preparation of consolidated financial statements for the year ended 31 December 2009. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the consolidated statements for the year ended 31 December 2009.

##### 2.3.1 Financial Instruments

In accordance with IAS 39, in the banking segment the Group classifies its investments in debt and equity securities in the three following categories; assets held at fair value through profit or loss, held-to-maturity and, available-for-sale assets. Debt securities with fixed maturities, where management has both the intent and the ability to hold to the maturity are classified as “held-to-maturity financial assets”. Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in the interest rates, exchange rates or equity prices, or the client’s servicing activity are classified as “available-for-sale financial assets”. The appropriate classification of investments is determined at the time of the purchase and re-evaluated by management on a regular basis.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.3.1 Financial Instruments (Continued)

All investment securities are initially recognised at cost. Transaction costs are included in the initial measurement of debt securities. Available-for-sale debt and equity investment securities are subsequently re-measured at fair value if the fair values can be reliably measured.

Investments in which the Holding has an interest below 20% that do not have a quoted market price in active markets, for which other methods of making a reasonable estimate of fair value are clearly inappropriate or unworkable and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value.

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are deferred in the equity until the financial asset is sold, collected or otherwise disposed of. Unrealised gains and losses arising from changes in the fair value of available for sale debt securities are the differences between the fair value of such securities and their amortised cost at the balance sheet date. When available for sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are released to the income statement.

Held to maturity investments are carried at amortised cost using the effective yield method.

Financial assets at fair value through profit or loss are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer’s margin, or included in a portfolio in which a pattern of short-term profit making exists. Financial assets at fair value through profit or loss are initially recognised at cost and subsequently re-measured at fair value based on quoted bid prices. All related realised and unrealised gains and losses are included in the income statement.

Interest received from financial assets at fair value through profit or loss is recognised in the income statement as part of interest income and dividend received is recognised in the income statement as part of dividend income. All purchases and sales of financial assets at fair value through profit or loss that require delivery within the time frame established by regulation or market convention (“regular way” purchases and sales) are recognised at the trade date, which is the date that the banks commit to purchase or sell the assets.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.3.2 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation in the consolidated financial statements (Note 9). Depreciation is provided on property, plant and equipment on a straight-line basis. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<u>Years</u>
Land improvements	4-50
Buildings	18-50
Machinery and equipment	2-25
Motor vehicles	2-15
Furniture and fixtures	3-10

Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the related income and expense accounts, as appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets.

Costs to property plant and equipment are included in the asset’s carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statements during the financial period in which they were incurred.

##### 2.3.3 Intangible assets

Intangible assets consist of licences, computer software, development costs, purchased technology, mining rights, acquired rights of use, and other identifiable rights. Intangible assets are initially accounted at cost and amortised using the straight-line method over an estimated useful life that does not exceed 20 years (Note 10). The amortisation of mining rights commences when the extraction begins.

Customer relations and agreements acquired in business combination are recognised at fair value at the acquisition date. Customer relations and agreements are amortised using the straight-line method over their estimated useful life of 27 years and carried at cost less accumulated amortisation and impairment (Note 10).

##### 2.3.4 Non-current assets held for sale and discontinued operations

Non-current assets held for sale (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset. The sale of assets held for sale is expected to be occur within the following 12 months from the balance sheet date.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.3.4 Non-current assets held for sale and discontinued operations (Continued)

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale.

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount or fair value. If fair value is below the carrying value of asset, the related impairment is accounted for expense in consolidated income statement.

##### 2.3.5 IFRIC 12 - Service Concession Arrangements

IFRIC 12, provides guidance on the accounting of public-to-private service concession arrangements by operators.

An arrangement within the scope of IFRIC 12 typically involves a private sector entity (an operator) constructing an infrastructure used to provide a public service or upgrading it, operating and maintaining that infrastructure for a specified period of time.

The Group accounts the amount that is received or will be received due to electricity distribution services at fair value of the service. This amount is recorded as a financial asset. The Group accounts the financial asset considering the cash basis given by the grantor or at the direction of the grantor associated with the electricity distribution services. The amount that should be paid by the grantor or at the direction of the grantor is accounted as a receivable in accordance with IAS 39 “Financial Instruments: Recognition and Measurement”.

##### 2.3.6 Shareholders’ equity

In the restatement of shareholders’ equity items, the addition of funds formed due to hyperinflation such as the revaluation value increase fund in share capital is not considered as a contribution from shareholders. Additions of legal reserves and retained earnings to share capital are considered as contributions by shareholders. In the restatement of shareholders’ equity items added to share capital the capital increase registry dates or the payment dates are considered. In the restatement of share premiums, the payment dates are considered (Note 13).

The capital investment adjustment under shareholders’ equity represents the Holding shares held by the subsidiaries. In the consolidated financial statements the shares held by the subsidiaries are accounted for under equity as a debit entry to the share capital by the share proportion of the subsidiary.

Revaluation fund included in the value increase funds is related to the value increase at the date of the transaction of the net assets owned by the Group before the sale transaction. Since the significant part of the amounts included in revaluation funds are related with the assets subject to amortisation, the revaluation funds are accounted for by transferring the related revaluation fund to the retained earnings during the amortisation period or the disposal period of the aforementioned assets.

##### 2.3.7 Borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.3.7 Borrowing costs (Continued)

Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement as financial expense over the period of the borrowings.

International Accounting Standard No 23 “Borrowing Costs” was revised on 29 March 2007 by the IASB. The revised IAS 23 is effective at 1 January 2009, yet voluntary early transition to the application right is reserved. The Group opted for early adoption and changed accounting policy, choosing the policy envisaged in IAS 23 related to borrowing costs at 1 January 2007. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are charged to the income statement when they are incurred.

##### 2.3.8 Deferred Tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to measure deferred income taxes.

Deferred income tax liabilities are recognised for all taxable temporary differences, whereas deferred income tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised (Note 16).

##### 2.3.9 Loans and advances to customers and provisions for loan impairment

Loans originated by providing money directly to the borrower or to a sub-participation agent at draw down are categorised as loans originated and are carried at amortised cost using the effective yield method. Costs incurred due to obtaining guarantees for originated loans are not considered as transaction costs and are charged to the income statement. Loans originated by providing money directly to banks such as time or demand deposits are classified as due from banks

A credit risk provision for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and recoverable amount, being the present value of expected cash flows, including the amount recoverable from guarantees and collateral, discounted based on the interest rate at inception.

The provision made during the period is charged against the profit for the period. Loans that cannot be recovered are written off and charged against the allowance for loan losses. Such loans are written off after all the necessary legal proceedings have been completed and the amount of the loan loss is finally determined. Recoveries of amounts previously provided for are treated as a reduction from the provision for loan losses for the period.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.3.10 Revenue recognition

###### Banking

Interest income and expense are recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price until, in management’s estimates and judgment, collection becomes doubtful. Interest income includes coupons earned on fixed income securities and accrued discount on treasury bills (Note 4.e).

Commission income and fees for various banking services are recorded as income at the time they affect the transactions to which they relate.

###### Insurance

###### Life:

Premium income represents premiums accrued on policies issued during the period, adjusted by the reserve for unearned premiums for annual life policies, during the period (Note 4.e).

###### Non-Life:

Premium income represents premiums on policies written during the period, net of cancellations, as adjusted by the reserve for unearned premiums.

###### Other segments

Revenues are recognised on an accrual basis at the time deliveries or acceptances are made, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of the consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as interest income on a time proportion basis that takes into account the effective yield on the asset.

##### 2.3.11 Foreign currency transactions

###### Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in Turkish lira, which is the functional currency of the Holding.

###### Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into New Turkish lira at the exchange rates prevailing at the balance sheet dates.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

---

### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.3.11 Foreign currency transactions (Continued)

Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated income statement.

#### Foreign Group Companies

The results of Group undertakings using a measurement currency other than Turkish lira are first translated into Turkish lira by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into Turkish lira by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and year-end rates are included in translation reserve as a separate item in the shareholders’ equity.

#### 2.3.12 Segment reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

A reportable segment is a business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The Group has selected business segments in a manner consistent with the reporting provided to the chief operating decision- maker. Based on the internal reporting as the Group’s risk and returns are affected by the differences between the produced goods and rendered services, industrial segments are determined for the segment reporting purposes. Geographical segments have not been disclosed in these consolidated financial statements on the grounds of materiality as the operations of the Group in geographical areas other than Turkey are not reportable geographical segments individually when compared with the overall consolidated financial statements.

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision- maker. The chief operating decision-maker is responsible for the decisions related to the allocation of resources to the segments and assessment of performance of segments.

#### 2.4 *Critical accounting estimates and assumptions*

The preparation of consolidated financial statements in conformity with CMB Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current event and actions, actual results ultimately may differ from those estimates.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Estimates are regularly reviewed, related corrections are adjusted and accounted for related period income statement. If changes in the accounting policies are related to only one period, they are applied in the current year; if they are related to the future period, they are applied both in current and future periods.

#### NOTE 3 - BUSINESS COMBINATIONS

**The business combinations between the period 1 January and 31 March 2010 are as follows:**

On 9 February 2010Çimsa, a subsidiary of the Group, acquired 60% shares of the Med.Con Srl which is established in Italy for EUR 3.528. The difference between acquisition value and fair value of the acquired net assets of TL 3.279 has been provisionally accounted for as goodwill (Note:11).

**The business combinations between the period 1 January and 31 December 2009 are as follows:**

Enerjisa Elektrik Dağıtım A.Ş., a joint venture of the Group, won the tender of Privatisation Agency of Republic of Turkey and acquired all the shares of Başkent Elektrik Dağıtım A.Ş. for TL 1.976.169 (USD 1.225 million) with the Share Purchase Agreement signed on 28 January 2009. Fair values of the acquired identifiable assets and liabilities and the purchase consideration is as follows;

Cash and cash equivalents	114.351
Trade receivables	316.040
Financial assets	359.200
Inventories	16.809
Property, plant and equipment and intangible assets	1.293.624
Other receivables and current assets	57.739
Trade payables	(197.197)
Corporate income tax payable	(9.128)
Unearned income	(95.391)
Deposits received	(85.136)
Provision for termination benefits	(49.474)
Deferred income tax liabilities	(181.773)
Other payables and current/non-current liabilities	(296.301)
Fair value of total net assets acquired	1.243.363
Less: cost of acquisition	1.976.169
Goodwill	732.806
<b>Goodwill attributable to the consolidated financial statements resulting from the acquisition completed by the joint venture</b>	<b>366.403</b>

The intangible assets include customer relations and contracts amounting to TL 1.162.000 in accordance with IFRS 3 “Business Combinations”.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 3 - BUSINESS COMBINATIONS (Continued)

On 24 July 2006, Türkiye Elektrik Dağıtım A.Ş. (“TEDAŞ”) and Başkent Elektrik Dağıtım A.Ş. (“BEDAŞ”) signed the transfer of operating rights agreement. In accordance with this agreement, TEDAŞ transferred the operating rights of the distribution system, the distribution facilities, the other movables and immovables which are crucial for operation of the distribution facilities to Başkent for a period of 30 years. The fair value of the operating rights is determined using the expected future cash flows. A financial asset amounting to TL 359.200 and an intangible asset amounting to TL 131.000 are accounted based on transfer of operating rights agreement in accordance with IFRIC 12 “Service Concession Arrangements” and IFRS 3 “Business Combinations”.

#### NOTE 4 - SEGMENT REPORTING

##### a) External revenues:

	31 March 2010	31 March 2009
Finance	3.174.017	3.295.744
Tire, tire reinforcements and automotive	570.689	492.480
Retail	574.506	505.534
Cement	200.455	170.278
Energy	318.600	243.851
Other	76.285	72.359
<b>Total</b>	<b>4.914.552</b>	<b>4.780.246</b>

##### b) Segment assets:

	31 March 2010	31 March 2009
Tire, tire reinforcements and automotive	2.112.078	2.043.148
Cement	1.334.371	1.268.472
Retail	938.939	932.432
Energy	2.618.469	2.601.331
Finance	107.329.123	103.544.785
Banking	105.876.269	102.106.140
Insurance	1.452.854	1.438.645
Other	557.540	546.262
<b>Segment assets (*)</b>	<b>114.890.520</b>	<b>110.936.430</b>
Non-current assets held for sale	443.969	426.071
Investment in associated companies	183.349	304.662
Unallocated assets	1.003.650	916.408
Less: intercompany eliminations and reclassifications	(631.643)	(657.259)
<b>Total assets</b>	<b>115.889.845</b>	<b>111.926.312</b>

(\*) Segment assets mainly comprise operating assets.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 4 - SEGMENT REPORTING (Continued)

c) **Segment liabilities:**

	<b>31 March 2010</b>	<b>31 March 2009</b>
Tire, tire reinforcements and automotive	524.473	427.275
Cement	217.034	182.256
Retail	488.298	554.443
Energy	627.726	371.077
Finance	91.540.124	88.587.245
Banking	90.567.696	87.627.989
Insurance	972.428	959.256
Other	51.699	57.376
<b>Segment liabilities (*)</b>	<b>93.449.354</b>	<b>90.179.672</b>
Liabilities associated with non-current assets held for sale (Note 14)	288.775	267.948
Unallocated liabilities	1.929.376	1.964.891
Less: intercompany eliminations and reclassifications	(1.386.291)	(1.174.776)
<b>Total liabilities</b>	<b>94.281.214</b>	<b>91.237.735</b>

(\*) Segment liabilities comprise operating liabilities and exclude items such as taxation, certain financial liabilities and unallocated liabilities.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

### NOTE 4 - SEGMENT REPORTING (Continued)

#### d) Segmental analysis for the period between 1 January – 31 March 2010

	Tire, tire reinforcements and automotive	Cement	Retail	Energy	Finance			Other	Inter segment elimination	Total
					Banking	Insurance	Total finance			
External revenues	570.689	200.455	574.506	318.600	2.887.396	286.621	3.174.017	76.285	-	4.914.552
Inter segment revenues	393	1	562	13.016	4.277	1.070	5.347	2.943	(22.262)	-
<b>Total revenues</b>	<b>571.082</b>	<b>200.456</b>	<b>575.068</b>	<b>331.616</b>	<b>2.891.673</b>	<b>287.691</b>	<b>3.179.364</b>	<b>79.228</b>	<b>(22.262)</b>	<b>4.914.552</b>
Cost of sales (*)	(472.882)	(158.415)	(452.681)	(283.437)	(1.133.406)	(283.078)	(1.416.484)	(60.991)	36.758	(2.808.132)
General and administrative expenses	(23.130)	(10.829)	(66.560)	(40.552)	(589.835)	(25.227)	(615.062)	(9.278)	9.438	(755.973)
Sales, marketing and distribution expenses	(37.955)	(2.233)	(63.523)	-	-	-	-	(6.199)	271	(109.639)
Research and development expenses	(2.177)	(115)	-	-	-	-	-	(798)	89	(3.001)
Inter segment adjustment	(50)	(25)	-	-	17.939	(842)	17.097	587	(17.098)	511
<b>Operating result</b>	<b>34.888</b>	<b>28.839</b>	<b>(7.696)</b>	<b>7.627</b>	<b>1.186.371</b>	<b>(21.456)</b>	<b>1.164.915</b>	<b>2.549</b>	<b>7.196</b>	<b>1.238.318</b>
Other unallocated operating expenses										(13.781)
Other income/(expense) - net	(3.005)	(5.036)	(1.401)	3.164	107.309	10.275	117.584	(1.214)	-	110.092
<b>Segment result</b>	<b>31.883</b>	<b>23.803</b>	<b>(9.097)</b>	<b>10.791</b>	<b>1.293.680</b>	<b>(11.181)</b>	<b>1.282.499</b>	<b>1.335</b>	<b>7.196</b>	<b>1.334.629</b>

(\*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and net foreign currency trading gains. In the insurance segment cost of sales includes premium ceded to reinsurance.

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

### NOTE 4 - SEGMENT REPORTING (Continued)

#### Segmental analysis for the period between 1 January – 31 March 2009

	Tire, tire reinforcements and automotive	Cement	Retail	Energy	Finance			Other	Inter segment elimination	Total
					Banking	Insurance	Total finance			
External revenues	492.480	170.278	505.534	243.851	3.026.410	269.334	3.295.744	72.359	-	4.780.246
Inter segment revenues	476	8	905	18.954	12.065	1.132	13.197	2.613	(36.153)	-
<b>Total revenues</b>	<b>492.956</b>	<b>170.286</b>	<b>506.439</b>	<b>262.805</b>	<b>3.038.475</b>	<b>270.466</b>	<b>3.308.941</b>	<b>74.972</b>	<b>(36.153)</b>	<b>4.780.246</b>
Cost of sales (*)	(444.332)	(137.463)	(397.598)	(222.279)	(1.863.951)	(333.662)	(2.197.613)	(60.847)	75.124	(3.385.008)
General and administrative expenses	(21.931)	(10.703)	(60.422)	(13.283)	(531.466)	(28.481)	(559.947)	(10.736)	9.943	(667.079)
Sales, marketing and distribution expenses	(35.317)	(2.140)	(51.065)	(15.043)	-	-	-	(8.707)	325	(111.947)
Research and development expenses	(3.039)	(380)	-	-	-	-	-	(829)	-	(4.248)
Inter segment adjustment	66	(25)	-	-	41.802	(1.050)	40.752	651	(41.402)	42
<b>Operating result</b>	<b>(11.597)</b>	<b>19.575</b>	<b>(2.646)</b>	<b>12.200</b>	<b>684.860</b>	<b>(92.727)</b>	<b>592.133</b>	<b>(5.496)</b>	<b>7.837</b>	<b>612.006</b>
Other unallocated operating expenses										(14.438)
Other income/(expense) - net	402	(1.907)	(1.241)	(13.903)	60.567	75.989	136.556	(10.882)	-	109.025
<b>Segment result</b>	<b>(11.195)</b>	<b>17.668</b>	<b>(3.887)</b>	<b>(1.703)</b>	<b>745.427</b>	<b>(16.738)</b>	<b>728.689</b>	<b>(16.378)</b>	<b>7.837</b>	<b>706.593</b>

(\*) In the banking segment cost of sales includes interest expenses, fee and commission expenses, provision for loan losses and net foreign currency trading gains. In the insurance segment cost of sales includes premium ceded to reinsurance.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 4 - SEGMENT REPORTING (Continued)

##### e) Operating results:

##### i) Banking:

	31 March 2010	31 March 2009
Interest income	2.444.012	2.636.532
Interest expense	(1.029.846)	(1.466.453)
<b>Net interest income</b>	<b>1.414.166</b>	<b>1.170.079</b>
Fee and commission income	443.384	389.878
Fee and commission expense	(45.165)	(40.810)
<b>Net fee and commission income</b>	<b>398.219</b>	<b>349.068</b>
Provision for loan losses	(99.433)	(326.752)
Foreign exchange trading gains and losses - net	63.254	23.931
Operating expense	(589.835)	(531.466)
Other operating income	107.309	60.567
<b>Segment result</b>	<b>1.293.680</b>	<b>745.427</b>

##### ii) Insurance:

	31 March 2010	31 March 2009
Gross premiums written	286.621	269.334
Premiums ceded to reinsurers	(82.131)	(100.330)
Change in the provision for unearned premiums net of reinsurance	(48.960)	(57.704)
<b>Earned premiums, net</b>	<b>155.530</b>	<b>111.300</b>
Claims paid	(171.370)	(194.856)
Claims paid - reinsurers' share	46.634	54.675
Change in the provision for claims	3.393	(8.766)
<b>Claims incurred, net</b>	<b>(121.343)</b>	<b>(148.947)</b>
Change in life mathematical reserve, net	(2.985)	(8.977)
Commission expenses - net	(27.431)	(17.622)
<b>Technical income/ (loss)</b>	<b>3.771</b>	<b>(64.246)</b>
General and administrative expenses	(25.227)	(28.481)
Other operational income/ (expense)	10.275	75.989
<b>Segment Result</b>	<b>(11.181)</b>	<b>(16.738)</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 4 - SEGMENT REPORTING (Continued)

##### iii) Non-financial segments:

	31 March 2010	31 March 2009
Net sales	1.740.535	1.484.502
Cost of sales	(1.413.582)	(1.241.303)
<b>Gross profit</b>	<b>326.953</b>	<b>243.199</b>
Operating expenses	(267.331)	(237.764)
Other operating (expense)/income	(7.492)	(27.531)
<b>Segment result</b>	<b>52.130</b>	<b>(22.096)</b>

The Group assesses the performance of its operating segments based on a measure of adjusted Earnings before Interest, Tax, Depreciation and Amortization (“EBITDA”). Adjusted EBITDA does not include the effects of non-recurring expenses of the operating segments.

	31 March 2010	31 March 2009
Tire, tire reinforcement and automotive	56.739	12.480
Cement	38.546	33.231
Retail	2.591	5.700
Energy	22.289	4.265
Finance	1.312.673	761.560
Other	823	(7.865)
<b>Total</b>	<b>1.433.661</b>	<b>809.371</b>

A reconciliation of adjusted EBITDA to income before tax from continuing operations is as follows:

	31 March 2010	31 March 2009
Adjusted EBITDA for reported operating segments	1.433.661	809.371
Impairment charge on investment property	-	(7.767)
Depreciation and amortisation	(99.032)	(95.011)
<b>Operating profit</b>	<b>1.334.629</b>	<b>706.593</b>
Financial expenses - net	(1.590)	(60.612)
Shares of income of investments accounted through equity method	51.697	33.163
<b>Income before tax from continuing operations</b>	<b>1.384.736</b>	<b>679.144</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 4 - SEGMENT REPORTING (Continued)

##### f) Interests in Joint Ventures:

Aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities and income and expense items related to Joint Ventures which are proportionally consolidated in the consolidated financial statements as expressed in Note 2, are as follows on a combined basis:

<b>Balance Sheet</b>	<b>31 March 2010</b>	<b>31 March 2009</b>
Current assets	1.313.730	1.422.996
Non-current assets	3.617.790	3.538.357
<b>Total assets</b>	<b>4.931.520</b>	<b>4.961.353</b>
Current liabilities	1.136.705	1.102.077
Non-current liabilities	1.344.751	1.379.531
<b>Total liabilities</b>	<b>2.481.456</b>	<b>2.481.608</b>
Minority interests	4.272	4.358
Shareholders' equity	2.445.792	2.475.387
<b>Total liabilities, minority interests and, shareholders' equity</b>	<b>4.931.520</b>	<b>4.961.353</b>
<b>Income statement</b>	<b>31 March 2010</b>	<b>31 March 2009</b>
Operating profit	24.412	(7.349)
Financial income/(expense)- net	17.844	(45.726)
Income before tax and minority interests	42.256	(53.075)
Taxation on income	(10.882)	5.756
Income before minority interests	31.374	(47.319)
Minority interests	87	20
<b>Net income for the period from continuing operations</b>	<b>31.461</b>	<b>(47.299)</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 4 - SEGMENT REPORTING (Continued)

##### g) Depreciation and amortisation charge, impairments and capital expenditures:

##### 1 January - 31 March 2010

	Finance		Tire, tire reinforcements and automotive	Cement	Energy	Retail	Other	Discontinued operations	Total
	Banking	Insurance							
Depreciation and amortisation	28.799	1.372	24.856	14.743	11.498	11.688	6.076	7.068	106.100
Impairment of property, plant and equipment, intangible assets	-	-	-	-	-	235	-	-	235
Capital expenditure	39.060	596	34.876	37.118	97.529	13.564	9.976	548	233.267

##### 1 January - 31 March 2009

	Finance		Tire, tire reinforcements and automotive	Cement	Energy	Retail	Other	Discontinued operations	Total
	Banking	Insurance							
Depreciation and amortisation	31.304	1.568	23.675	15.563	5.964	9.587	7.350	7.062	102.073
Impairment of property, plant and equipment, intangible assets	-	-	-	-	-	407	-	-	407
Capital expenditure	29.320	811	32.511	7.758	107.297	13.657	3.927	6.046	201.327

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 5 - FINANCIAL ASSETS

##### a) Marketable securities:

The analysis of securities at fair value through profit and loss is as follows:

	31 March 2010	31 December 2009
Government bonds	331.467	132.922
Eurobonds	72.236	66.877
Treasury bills	33.594	30.767
Government bonds denominated in foreign currency	7.560	6.359
Share certificates	9.797	1.787
Mutual funds	7	-
Other	290	1.350
<b>Total</b>	<b>454.951</b>	<b>240.062</b>

##### b) Securities available-for-sale:

	31 March 2010	31 December 2009
Debt securities		
- Government bonds	31.958.449	26.092.664
- Eurobonds	3.284.907	2.186.076
- Treasury bills	5.679	111.661
- Government bonds denominated in foreign currency	657.741	30.116
- Investment funds	61.120	50.149
- Other bonds denominated in foreign currency	551.714	654.611
<b>Sub - total</b>	<b>36.519.610</b>	<b>29.125.277</b>
Equity securities		
- Listed	28.068	21.879
- Unlisted	55.761	55.756
<b>Sub - total</b>	<b>83.829</b>	<b>77.635</b>
<b>Total securities available for sale</b>	<b>36.603.439</b>	<b>29.202.912</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 5 - FINANCIAL ASSETS (Continued)

##### c) Held to maturity:

The breakdown of the held to maturity financial assets is listed below:

	31 March 2010	31 December 2009
Government bonds	5.490.682	4.447.159
Government bonds denominated in foreign currency	2.522.603	4.802.686
Eurobonds	1.067.626	1.163.583
<b>Total</b>	<b>9.080.911</b>	<b>10.413.428</b>

Period remaining to contractual maturity dates for held to maturity financial assets and available-for-sale assets as at 31 March 2010 and 31 December 2009 is as follows:

	31 March 2010			31 December 2009		
	Banking	Other companies	Total	Banking	Other companies	Total
3 to 12 months	9.248.474	268.322	9.516.796	10.175.768	251.918	10.427.686
1 to 5 years	32.575.446	106.592	32.682.038	26.185.454	80.673	26.266.127
Over 5 years	3.738.262	47.162	3.785.424	2.987.002	44.666	3.031.668
No maturity	106.367	48.676	155.043	83.985	46.936	130.921
<b>Total</b>	<b>45.668.549</b>	<b>470.752</b>	<b>46.139.301</b>	<b>39.432.209</b>	<b>424.193</b>	<b>39.856.402</b>

Period remaining to contractual repricing dates for investment security, held to maturity financial assets and available-for-sale securities as at 31 March 2010 and 31 December 2009 is as follows:

	31 March 2010			31 December 2009		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	9.417.790	-	9.417.790	10.207.971	-	10.207.971
3 to 12 months	18.451.240	268.322	18.719.562	14.467.906	251.918	14.719.824
1 to 5 years	13.954.890	106.592	14.061.482	11.685.345	80.673	11.766.018
Over 5 years	3.738.262	47.162	3.785.424	2.987.002	44.666	3.031.668
No maturity	106.367	48.676	155.043	83.985	46.936	130.921
<b>Total</b>	<b>45.668.549</b>	<b>470.752</b>	<b>46.139.301</b>	<b>39.432.209</b>	<b>424.193</b>	<b>39.856.402</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 6 - BORROWINGS

##### Short-term funds borrowed, bank borrowings and debt securities in issue:

	31 March 2010	31 December 2009
Short term	6.295.285	5.149.488
Short-term portion of long term	784.931	862.259
<b>Total short term</b>	<b>7.080.216</b>	<b>6.011.747</b>

##### Long-term funds borrowed, bank borrowing and debt securities in issue:

Long term	4.476.694	4.569.513
<b>Total</b>	<b>11.556.910</b>	<b>10.581.260</b>

The maturity schedule of borrowings at 31 March 2010 and 31 December 2009 is summarised below:

	31 March 2010	31 December 2009
Up to 3 months	1.428.179	2.137.437
3 to 12 months	5.652.036	3.874.310
1 to 5 years	3.003.938	3.057.788
More than 5 years	1.472.757	1.511.725
	<b>11.556.910</b>	<b>10.581.260</b>

The maturity schedule of long term borrowings at 31 March 2010 and 31 December 2009 is summarised below:

	31 March 2010	31 December 2009
2011	1.098.262	1.015.398
2012	866.479	822.951
2013	710.171	790.209
2014	329.025	429.231
2015 and after	1.472.757	1.511.724
<b>Total</b>	<b>4.476.694</b>	<b>4.569.513</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 6 – BORROWINGS (Continued)

The repricing schedule of borrowings at 31 March 2010 and 31 December 2009 is summarised below:

	31 March 2010	31 December 2009
Up to 3 months	8.846.607	7.903.045
3 to 12 months	2.358.495	2.411.256
1 to 5 years	341.708	254.423
More than 5 years	10.100	12.536
<b>Total</b>	<b>11.556.910</b>	<b>10.581.260</b>

Major borrowing and funding transactions of Akbank and Enerjisa at 31 March 2010 are as follows:

#### Funds Borrowed:

##### a) Akbank - Funds borrowed via syndicated credit facilities

At 31 March 2010, funds borrowed from foreign institutions include syndicated credit facilities in the amount of EUR 900.000 and formed by USD 312.000 and EUR 681.500 with an interest rate of Libor + 2.5% and Euribor + 2.5% provided by 48 international banks with West LB AG, London Branch acting as the agent, which mature between 25 August 2010 and 24 September 2010.

At 31 March 2010, funds borrowed from foreign institutions also include syndicated credit facilities in the amount of USD 1.200.000 and formed by USD 437.500 and EUR 584.500 with an interest rate of Libor + 1.5% and Euribor + 1.5% provided by 55 international banks with Standard Chartered Bank acting as the agent, which mature between 29 March 2011.

##### b) Akbank - Debt securities in issue

In November 1999, Akbank finalised a structured finance deal of USD 400.000 by securitising its foreign currency denominated present and future remittances (worker remittances, cash against goods, cash against documents, letters of credits, cheque remittances and other third party payment orders) for the issue of floating-rate notes amounting to USD 400.000. Akbank obtained further tranches related with the same deal in the amount of USD 3.569.000 between 2000 and September 2009 through the additional issue of floating-rate notes. Interest rates on the tranches vary between Libor + 0,16% p.a. and Libor + 1,1% p.a. At 31 March 2010, the outstanding principal amount of the securitisation deal amounts to USD 1.844.000.

In December 2005, the Group finalised another structured finance deals with a total amount of USD 500.000 by securitising its foreign currency denominated present and future remittances (credit card receivables). The interest rates varying between Libor + 0,16% and Libor +1,01%. At 31 March 2010, the outstanding principal amount of the securitisation deal amounts to USD 296.000.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 6 – BORROWINGS (Continued)

##### c) Enerjisa - Funds borrowed via IFC

On 13 June 2008 Group’s joint venture Enerjisa, signed a EUR 1.000.000 loan agreement provided from international financial institutions on International Finance Corporation (“IFC”) and IFC, Akbank and the European Investment Bank's co-ordination. These funds are considered to be used in the company’s energy investments.

The part of the loan amounting to EUR 513.000 is coordinated by IFC, EUR 495.000 has a maturity of 12 years and the remaining EUR 18.000 has a maturity of 15 years. EUR 158.000 of the aforementioned part will be provided by IFC and the remaining EUR 355.000 will be provided as a syndicated loan under the supervision of IFC and WestLB (As at 31 March 2010 used loan amounts to EUR 210.330). KfW IPEX-Bank GmbH, Bank Austria Creditanstalt AG, Erste Bank der Oesterreichischen Sparkassen AG, ING Bank N.V., Raiffeisen Zentralbank Oesterreich AG, WestLB AG, ING and Société Générale Bank have been participated in this financing package as authorised leading regulators. Akbank will provide a parallel loan agreement of EUR 352.000 which has a maturity of 12 years, with the participation of National Bank of Greece (As at 31 March 2010 the loan used amounts to EUR 199.670). Finally, with the participation of EIB with a loan amounting to EUR 135.000, the financing package will be completed to EUR 1.000.000. As of 31 March 2010, Enerjisa has used EUR 410.000 with respect to this EUR 1.000.000 loan agreement (31 December 2009: EUR 410.000).

#### NOTE 7 - OTHER RECEIVABLES AND PAYABLES

##### Other receivables:

	31 March 2010	31 December 2009
Receivables on cheques in clearance	155.403	151.937
Financial assets (*)	146.894	167.508
Receivables from credit card payments	41.248	32.868
Deposits received (**)	18.143	16.418
Other	544.290	515.911
<b>Total</b>	<b>905.978</b>	<b>884.642</b>

(\*) Composed of financial assets accounted for by the Group’s joint venture Başkent Elektrik Dağıtım A.Ş. in accordance with IFRS 3 “Business Combinations” and IFRIC 12 “Service Concession Arrangements”.

(\*\*) Composed of guarantees received from subscribers accounted for by the Group’s joint venture Başkent Elektrik Dağıtım A.Ş.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 7 - OTHER RECEIVABLES AND PAYABLES (Continued)

<b>Other payables:</b>	<b>31 March 2010</b>	<b>31 December 2009</b>
Payables related to credit card transactions	1.122.308	1.107.684
Payables on cheques in clearance	275.804	283.894
Payable to Privatization Administration (*)	234.354	476.057
Unearned commission income	213.247	217.396
Other taxes and funds	200.915	193.821
Bonus liability to credit card customers	120.170	110.197
Export deposits and transfer orders	64.204	14.053
Advances received	21.315	17.546
Saving deposits insurance	17.432	17.161
Payment orders to correspondent banks	15.091	8.636
Due to personnel	13.411	20.624
Lease payables	6.230	10.294
Other	918.691	651.584
<b>Total</b>	<b>3.223.172</b>	<b>3.128.947</b>

(\*) In accordance with the share purchase agreement signed by the Privatisation Administration and Enerjisa Elektrik Dağıtım A.Ş., a joint-venture of the Group, the Group has a payable of USD 306.250 to the Privatisation Administration (Note 3). This payable will be paid in two installments on 28 January 2011 and bears an interest rate of Libor + 2,5% per annum.

#### NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	<b>31 March 2010</b>	<b>Share (%)</b>	<b>31 December 2009</b>	<b>Share (%)</b>
Philisa	127.559	25,00	247.965	25,00
Philip Morrissa	55.790	24,75	56.697	24,75
<b>Total</b>	<b>183.349</b>		<b>304.662</b>	

Income from associates is as follows:

	<b>31 March 2010</b>	<b>31 March 2009</b>
Philisa	14.185	26.556
Philip Morrissa	37.512	6.607
<b>Total</b>	<b>51.697</b>	<b>33.163</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (Continued)

The summary financial information of associates is as follows:

	<b>31 March 2010</b>		<b>31 December 2009</b>	
	<b>Total assets</b>	<b>Total liabilities</b>	<b>Total assets</b>	<b>Total liabilities</b>
Philsa	1.113.567	603.333	1.973.482	981.623
Philip Morrissa	638.425	413.010	875.741	646.664
<b>Total</b>	<b>1.751.992</b>	<b>1.016.343</b>	<b>2.849.223</b>	<b>1.628.287</b>

<b>Sales revenue</b>	<b>31 March 2010</b>	<b>31 March 2009</b>
Philsa (*)	1.364.811	1.293.755
Philip Morrissa	1.766.870	1.585.927

(\*) Philsa conducts its sales activities over Philip Morrissa.

<b>Net income</b>	<b>31 March 2010</b>	<b>31 March 2009</b>
Philsa	56.740	106.225
Philip Morrissa	151.565	26.693
<b>Total</b>	<b>208.305</b>	<b>132.918</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment for the year three months period ended 31 March 2010 are as follows:

	1 January 2010	Currency translation differences	Additions	Disposals	Impairment	31 March 2010
<b>Cost:</b>						
Land and land improvements	391.752	1.347	16.606	-	-	409.705
Buildings	1.851.161	1.260	920	(27)	-	1.853.314
Machinery and equipment	3.249.574	4.689	25.272	(463)	-	3.279.072
Motor vehicles	152.027	102	5.393	(7.326)	-	150.196
Furniture and fixtures	1.610.306	66	18.707	(11.518)	(235)	1.617.326
<b>Total</b>	<b>7.254.820</b>	<b>7.464</b>	<b>66.898</b>	<b>(19.334)</b>	<b>(235)</b>	<b>7.309.613</b>
Construction in progress	844.977	33	142.230	-	-	987.240
<b>Total</b>	<b>8.099.797</b>	<b>7.497</b>	<b>209.128</b>	<b>(19.334)</b>	<b>(235)</b>	<b>8.296.853</b>
<b>Accumulated depreciation:</b>						
Land and land improvements	90.772	470	1.924	-	-	93.166
Buildings	660.129	912	13.093	(19)	-	674.115
Machinery and equipment	2.069.021	4.029	31.335	(260)	-	2.104.125
Motor vehicles	100.034	48	3.170	(2.629)	-	100.623
Furniture and fixtures	1.218.430	62	32.352	(8.689)	-	1.242.155
<b>Total</b>	<b>4.138.386</b>	<b>5.521</b>	<b>81.874</b>	<b>(11.597)</b>	<b>-</b>	<b>4.214.184</b>
<b>Carrying amount</b>	<b>3.961.411</b>					<b>4.082.669</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements in property, plant and equipment for the three months period ended 31 March 2009 are as follows:

	1 January 2009	Currency translation differences	Additions	Disposals	Disposal of subsidiary	Impairment	31 March 2009
<b>Cost:</b>							
Land and land improvements	383.021	1.918	2.942	-	-	-	387.881
Buildings	1.879.917	12.069	1.217	(1.002)	-	-	1.892.201
Machinery and equipment	3.404.449	27.373	16.928	(6.501)	(17.383)	-	3.424.866
Motor vehicles	139.678	206	3.762	(4.747)	-	-	138.899
Furniture and fixtures	1.553.076	2.630	18.134	(33.718)	(876)	(407)	1.538.839
<b>Total</b>	<b>7.360.141</b>	<b>44.196</b>	<b>42.983</b>	<b>(45.968)</b>	<b>(18.259)</b>	<b>(407)</b>	<b>7.382.686</b>
Construction in progress	325.377	2.241	138.268	-	-	-	465.886
<b>Total</b>	<b>7.685.518</b>	<b>46.437</b>	<b>181.251</b>	<b>(45.968)</b>	<b>(18.259)</b>	<b>(407)</b>	<b>7.848.572</b>
<b>Accumulated depreciation:</b>							
Land and land improvements	86.462	535	1.600	-	-	-	88.597
Buildings	620.342	2.763	9.017	(211)	-	-	631.911
Machinery and equipment	2.029.485	2.078	37.585	(4.087)	(17.058)	-	2.048.003
Motor vehicles	99.764	156	3.073	(2.302)	-	-	100.691
Furniture and fixtures	1.122.290	104	41.752	(20.830)	(874)	-	1.142.442
<b>Total</b>	<b>3.958.343</b>	<b>5.636</b>	<b>93.027</b>	<b>(27.430)</b>	<b>(17.932)</b>	<b>-</b>	<b>4.011.644</b>
<b>Carrying amount</b>	<b>3.727.175</b>						<b>3.836.928</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 10 - INTANGIBLE ASSETS

The movements in goodwill for the three months periods ended 31 March 2010 and 2009 are as follows:

	<b>1 January 2010</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 March 2010</b>
Cost	1.268.182	562	16.208	(177)	1.284.775
Accumulated amortisation	211.550	359	15.809	(153)	227.565
<b>Carrying amount</b>	<b>1.056.632</b>				<b>1.057.210</b>

	<b>1 January 2009</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>Disposal of Subsidiary</b>	<b>31 March 2009</b>
Cost	553.529	5.977	17.629	(2.144)	(8.452)	566.539
Accumulated amortisation	184.078	3.020	6.847	(1.354)	(4.892)	187.699
<b>Carrying amount</b>	<b>369.451</b>					<b>378.840</b>

#### NOTE 11 - GOODWILL

The movements in goodwill for the three months periods ended 31 March 2010 and 2009 are as follows:

	<b>31 March 2010</b>	<b>31 December 2009</b>
1 January	706.354	333.615
Additions (Note 3)	3.279	367.426
Currency translation differences	3	-
<b>Balance at 31 March</b>	<b>709.636</b>	<b>701.041</b>

#### NOTE 12 – CONTINGENT ASSETS AND LIABILITIES

<b>Commitments - Banking segment</b>	<b>31 March 2010</b>	<b>31 December 2009</b>
Letters of guarantee issued	5.114.087	4.834.982
Letters of credits	1.987.544	1.601.485
Foreign currency acceptance credits	54.914	58.851
<b>Total</b>	<b>7.156.545</b>	<b>6.495.318</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 12 – CONTINGENT ASSETS AND LIABILITIES (Continued)

<b>Commitments - Non-banking segments</b>	<b>31 March 2010</b>	<b>31 December 2009</b>
Letters of guarantee issued	715.384	978.056
Other guarantees issued	579.108	631.984
<b>Total</b>	<b>1.294.492</b>	<b>1.610.040</b>

#### Commitments for resale and repurchase of debt securities:

Commitments for the resale and repurchase of debt securities (government bonds, treasury bills and Eurobonds) at 31 March 2010 and 2009 are as follows:

	<b>31 March 2010</b>	<b>31 December 2009</b>
Repurchase commitments	12.362.343	13.854.181
Resale commitments	5.442	17.503

#### Commitments to forward currency purchase/sale and swap transactions:

##### Derivatives held for trading

	<b>31 March 2010</b>	<b>31 December 2009</b>
Currency purchases	1.126.695	499.115
Currency sales	1.128.405	501.166
<b>Total</b>	<b>2.255.100</b>	<b>1.000.281</b>

	<b>31 March 2010</b>	<b>31 December 2009</b>
Money swap purchases	4.098.737	4.339.416
Money swap sales	4.222.314	4.264.896
Interest rate swap purchases	3.414.420	4.640.511
Interest rate swap sales	3.414.420	4.640.511
<b>Total</b>	<b>15.149.891</b>	<b>17.885.334</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 12 - CONTINGENT ASSETS AND LIABILITIES (Continued)

	31 March 2010	31 December 2009
Spot purchases	316.499	302.386
Spot sales	316.718	302.386
<b>Total</b>	<b>633.217</b>	<b>604.772</b>

	31 March 2010	31 December 2009
Money options purchases	4.426.474	3.461.878
Money options sales	4.426.474	3.461.878
<b>Total</b>	<b>8.852.948</b>	<b>6.923.756</b>

	31 March 2010	31 December 2009
Futures purchases	86.628	89.558
Futures sales	86.628	89.558
<b>Total</b>	<b>173.256</b>	<b>179.116</b>

#### Derivative transactions for hedging:

	31 March 2010	31 December 2009
Interest swap purchases	2.545.000	2.545.000
Interest swap sales	2.545.000	2.545.000
<b>Total</b>	<b>5.090.000</b>	<b>5.090.000</b>

The maturity analysis of the off-balance sheet assets in the Banking segment at 31 March 2010 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees	282.713	4.831.374	5.114.087
Letters of credits	1.226.079	761.465	1.987.544
Acceptance credits	44.562	10.352	54.914
<b>Total</b>	<b>1.553.354</b>	<b>5.603.191</b>	<b>7.156.545</b>

The maturity analysis of the off-balance sheet assets that are not in the Banking segment at 31 March 2010 is as follows:

	Up to 1 year	Over 1 year	Total
Letters of guarantees	227.491	4.607.491	4.834.982
Letters of credits	951.564	649.921	1.601.485
Acceptance credits	47.838	11.013	58.851
<b>Total</b>	<b>1.226.893</b>	<b>5.268.425</b>	<b>6.495.318</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 13 - EQUITY

The Holding's authorised and issued capital consists of 204.040.393.100 (31 December 2009: 190.000.000.000) shares of Kr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 31 March 2010 and 31 December 2009 is as follows:

<b>Shareholders:</b>	<b>Share (%) 31 March 2010</b>		<b>Share (%) 31 December 2010</b>	
Sabancı family members	43,60	889.661	45,51	864.672
Public quotation	39,42	804.396	37,40	710.515
Sakıp Sabancı Holding A.Ş.	13,79	281.388	14,81	281.388
Sabancı University	1,51	30.769	1,62	30.769
Çimsa	1,06	21.534	-	-
H.Ö. Sabancı Foundation	<1	12.656	<1	12.656
<b>Share capital</b>	<b>100</b>	<b>2.040.404</b>	<b>100</b>	<b>1.900.000</b>
<b>Capital investment adjustment (-)</b>		<b>(21.534)</b>		<b>-</b>
<b>Share premium</b>		<b>21.670</b>		<b>21.670</b>

The transaction related with the injection of Akbank and Aviva shares which held in Aksigorta's portfolio, and Akbank shares which are held in Exsa's portfolio, as capital in kind to Holding via spin-off process has been approved in the Extraordinary General Assembly on 4 January 2010 and the shares of TL 140.403.931 have been registered by CMB and Trade Registry on 12 January 2010.

As a result of the spin-off transaction, Çimsa, a subsidiary of the Holding has been participated to the share capital of Holding by 1,06%. This transaction is accounted for under equity as capital investment adjustment.

#### Restricted Reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Holding's paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital

Furthermore, to be entitled to the exemption for sale of participation shares and property, 75% of related gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The details of restricted reserves mentioned above are as follows:

	<b>31 March 2010</b>	<b>31 December 2009</b>
Legal reserves	243.822	243.822
Investments sales income	127.826	127.826
<b>Total</b>	<b>371.648</b>	<b>371.648</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 13 - EQUITY (Continued)

##### Dividend Distribution

Based on CMB Decree No. 02/51, dated 27 January 2010, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations in 2009 (2008: 20%). Regarding the dividend distribution for the current and following years, the entities are to distribute their profits for the current and following years under the scope of CMB Communiqué No. IV-27, their articles of association and their previously publicly declared profit distribution policies. In regards to the profit distribution, in accordance with the decision of the General Assembly, the distribution can be made as cash or as bonus shares or as a combination of a certain percentage of cash and bonus shares. It is also permitted to retain this amount in the Company reserves.

Furthermore, Group companies that are obliged to prepare consolidated financial statements based on the related decision of General Assembly, are permitted to calculate net distributable profits based upon the net income for the period presented on consolidated financial statements that have been prepared within the framework of Communiqué XI, No: 29.

In accordance with the above explanations for the Communiqué No:XI-29, the composition of the Holding's shareholders' equity, which is considered as the basis for profit distribution is as follows:

	31 March 2010	31 December 2009
Share capital	2.040.404	1.900.000
Capital investment adjustment (-)	(21.534)	-
Share premium	21.670	21.670
Restricted reserves	371.648	371.648
Adjustment to capital	3.426.761	3.426.761
Net income for the year	497.384	1.258.481
Retained earnings	5.235.411	3.863.478
<b>Total shareholders' equity subject to dividend distribution</b>	<b>11.571.744</b>	<b>10.842.038</b>
Translation reserve	(57.109)	(52.046)
Revaluation funds	226.608	157.430
<b>Shareholders' equity</b>	<b>11.741.243</b>	<b>10.947.422</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 14 – DISCONTINUED OPERATIONS

Holding classified Advansa, a subsidiary of Group with 99,93% control rate, as non-current asset held for sale. At 31 March 2010 and 2009, the summary income statement of Advansa is as follows:

	31 March 2010	31 March 2009
Revenues	174.825	94.023
Expenses	(173.769)	(98.136)
<b>Profit/ (loss) before taxation</b>	<b>1.056</b>	<b>(4.113)</b>
Taxation	(378)	(1.163)
<b>Net income/ (loss) for the period</b>	<b>678</b>	<b>(5.276)</b>

The Group had sold all its shares in Toyotosa (65%) to ALJ Lubnatsi Pazarlama ve Satış A.Ş. on 14 August 2009. Summary income statement of Toyotosa for the period between 1 January – 31 March 2009 is as follows:

	31 March 2009
Revenues	159.803
Expenses	(162.330)
<b>Loss before taxation</b>	<b>(2.527)</b>
Taxation	55
<b>Net loss for the period</b>	<b>(2.472)</b>

#### NOTE 15 - FINANCIAL INCOME/EXPENSES

	31 March 2010	31 March 2009
<b>Financial income</b>		
Foreign exchange income	131.852	89.693
Interest income	23.761	39.763
<b>Total</b>	<b>155.613</b>	<b>129.456</b>
<b>Financial expense</b>		
Foreign exchange losses	123.577	143.370
Interest expense	16.901	30.923
Other financial expenses	16.725	15.775
<b>Total</b>	<b>157.203</b>	<b>190.068</b>

Financial expenses relate to segments other than banking.

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 16 - TAX ASSETS AND LIABILITIES

	31 March 2010	31 December 2009
Corporate and income taxes payable	423.382	870.362
Less: prepaid taxes	(9.476)	(667.614)
<b>Total taxes payable</b>	<b>413.906</b>	<b>202.748</b>

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The Corporate Tax Law was amended as of 13 June 2006 with Law No 5520. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. The corporation tax rate of the fiscal year 2009 is 20% (2008: 20%). Corporation tax is payable at a rate of 20% on the total income of the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, except from these corporations’ dividends subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations calculate corporate tax quarterly at the rate of 20% on their corporate income and declare it until the 10th day and pay it on the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses can not be carried back to offset profits from previous periods.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. Those related to Group are as follows:

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

---

#### NOTE 16 - TAX ASSETS AND LIABILITIES (Continued)

##### *Exemption for participation in subsidiaries*

Dividend income from participation in shares of capital of another full fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

##### *Preferential right certificate sales and issued premiums exemption*

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

##### *Exemption for participation into foreign subsidiaries*

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or by investment of marketable securities) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business centre at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

##### *Exemption for sale of participation shares and property*

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which have remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The cost of the sale has to be collected up until the end of the second calendar year following the year the sale was realised.

Brokerage houses and real estate companies who are dealing with the trading and the leasing of the real estate can not benefit from this exemption.

##### *Exemption for investment allowance*

The investment allowance, which has been applied for many years and calculated as 40% of property plant and equipment acquisitions exceeding a certain amount, was annulled with the Law No, 5479 dated 30 March 2006, However, in accordance with the temporary Law No, 69 added to the Income Tax Law, corporate and income taxpayers can offset the investment allowance amounts present as of 31 December 2005, which could not be offset against taxable income in 2005 and:

- a) investments to be made after 1 January 2006 in the scope of the certificate regarding the investments that began in the scope of additional articles 1, 2, 3, 4, 5 and 6 of Income Tax Law No: 193 before it was repealed with the Law No, 4842 dated 9 April 2003, and

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 16 - TAX ASSETS AND LIABILITIES (Continued)

- b) investment allowance amounts to be calculated in accordance with legislation effective at 31 December 2005 related to investments which exhibit a technical and economic and integrity and which were started prior to 1 January 2006 in the scope of Income Tax Law repealed 19th article, only against the income related to the years 2006, 2007 and 2008, in accordance with the legislation at 31 December 2005 (including provisions related to tax rates),

The Constitutional Court abolished the provisions of Temporary Article 69 of the Income Tax Law regarding the time limitation to the investment allowance in its meeting held on 15 October 2009, and published the minutes of the relevant meeting on its website in October 2009. The decision of the Constitutional Court on the cancellation of the time limitation for investment allowance for the years 2006, 2007 and 2008 came into force with its promulgation in the Official Gazette, dated 8 January 2010, and thereby the time limitation regarding investment allowance was removed.

The tax charges for comprehensive income statement items for the periods ended 31 March 2010 and 2009 are as follows:

	31 March 2010			31 March 2009		
	Before tax	Tax	After Tax	Before tax	Tax	After Tax
Net unrealized market value gains from available for sale financial assets	348.901	69.780	279.121	166.782	33.356	133.426
Gains on available for sale financial assets transferred to the income statement	(183.460)	(36.692)	(146.768)	(44.561)	(8.912)	(35.649)
Net gains included in the income statement due to transfer of available for sale financial assets into held to maturity assets	10.780	2.156	8.624	18.894	3.779	15.115
Cash flow hedges	1.406	281	1.125	(210.016)	(42.003)	(168.013)
Gain/ (loss) on net investment hedges	34.239	6.848	27.391	(27.839)	(5.568)	(22.271)
Currency translation differences	(9.933)	-	(9.933)	64.358	-	64.358
<b>Other comprehensive income</b>	<b>201.933</b>	<b>42.373</b>	<b>159.560</b>	<b>(32.382)</b>	<b>(19.348)</b>	<b>(13.034)</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 16 - TAX ASSETS AND LIABILITIES (Continued)

##### Deferred taxes

The Group recognises deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under CMB Financial Reporting Standards and their statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes, carry forward tax losses and investment incentive exceptions..

Deferred income taxes are calculated on temporary differences that are expected to be realised or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20%.

At 31 March 2010 the Group has not recognized deferred income tax assets over carry forward tax losses in the amount of TL 261.549 which can be offset against future taxable profits for a period of five years (31 December 2009: TL 291.860). As of 31 March 2010 the amount of the carry forward tax losses and the last fiscal periods in which they can be utilized are as follows:

2010	61.854
2012	60.903
2013	73.441
2014	65.351
<b>Total</b>	<b>261.549</b>

The movements in deferred income tax assets/ (liabilities) for the three month periods ended at 31 March 2010 and 2009 are as follows:

	31 March 2010	31 March 2009
Balances at 1 January	107.447	71.498
Allocated to derivative instruments for hedging purposes	15.001	39.830
Business combinations	-	25.648
Currency translation differences	921	(16.378)
Transfer to non-current assets held for sale	-	1.589
Charged to income statement	6.851	57.437
Mathematical correction	12.842	-
<b>Balances at 31 March</b>	<b>143.062</b>	<b>179.624</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 17 - DERIVATIVE FINANCIAL INSTRUMENTS

31 March 2010	Fair Value	
	Asset	Liability
<b>Derivatives held for trading:</b>		
<b>Foreign exchange derivatives</b>		
Currency and interest rate swaps purchases and sales	82.642	(434.865)
Forward currency purchases and sales	8.788	(10.587)
Currency and interest rate futures purchases and sales	56.023	(39.944)
Currency options purchases and sales	34.191	(33.160)
<b>Total over-the-counter derivatives</b>	<b>181.644</b>	<b>(518.556)</b>
<b>Derivatives held for hedging:</b>		
Interest rate swap purchases and sales	-	(432.211)
<b>Total derivatives held for trading</b>	<b>181.644</b>	<b>(950.767)</b>
31 December 2009	Fair Value	
	Asset	Liability
<b>Derivatives held for trading:</b>		
<b>Foreign exchange derivatives</b>		
Currency and interest rate swaps purchases and sales	144.780	(298.349)
Forward currency purchases and sales	6.237	(8.523)
Currency and interest rate futures purchases and sales	44.328	(25.973)
Currency options purchases and sales	49.833	(49.630)
<b>Total over-the-counter derivatives</b>	<b>245.178</b>	<b>(382.475)</b>
<b>Derivatives held for hedging:</b>		
Interest rate swap purchases and sales	-	(418.105)
<b>Total derivatives held for trading</b>	<b>245.178</b>	<b>(800.580)</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 18 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

##### a) Banking

Loans and advances to customers	31 March 2010	31 December 2009
Consumer loans and credit cards receivables	15.704.034	15.053.193
Construction	4.814.035	4.384.517
Financial institutions	2.846.020	3.082.575
Small-scale enterprises	2.777.522	2.828.741
Chemicals	2.303.511	2.010.424
Telecommunication	1.901.003	1.423.678
Other manufacturing industries	1.845.177	1.595.281
Health care and social services	1.553.839	1.536.345
Food and beverage, wholesale and retail	1.384.871	1.314.585
Mining	1.251.111	1.184.800
Project finance loans	871.207	887.272
Tourism	647.715	614.085
Automotive	634.083	589.245
Textile	555.216	544.555
Electronics	507.033	436.409
Agriculture and forestry	189.536	189.678
Other	7.062.338	6.487.810
	<b>46.848.251</b>	<b>44.163.193</b>
Non-performing loans	1.423.157	1.784.679
<b>Total loans and advances to customers</b>	<b>48.271.408</b>	<b>45.947.872</b>
Allowance for loan losses	(1.978.294)	(2.301.308)
<b>Net loans and advances to customers</b>	<b>46.293.114</b>	<b>43.646.564</b>

The movement of loan loss provision of banking segment as of 31 March 2010 by class is as follows:

	Corporate	Commercial	Total
<b>Balance at 1 January 2010</b>	<b>1.311.711</b>	<b>989.597</b>	<b>2.301.308</b>
Gross provisions	78.813	107.840	186.653
Recoveries	(82.147)	(90.272)	(172.419)
Written - off	(198.454)	(138.786)	(337.240)
Currency translation differences	(8)	-	(8)
<b>31 March 2010</b>	<b>1.109.915</b>	<b>868.379</b>	<b>1.978.294</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 18 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The movement of loan loss provision of banking segment as of 31 December 2009 by class is as follows:

	Corporate	Commercial	Total
<b>Balance at 1 January 2009</b>	<b>1.028.664</b>	<b>572.374</b>	<b>1.601.038</b>
Gross provisions	676.218	757.492	1.433.710
Recoveries	(375.743)	(316.852)	(692.595)
Written - off	(17.429)	(23.417)	(40.846)
Currency translation differences	1	-	1
<b>31 December 2009</b>	<b>1.311.711</b>	<b>989.597</b>	<b>2.301.308</b>

The maturity schedule of loans and advances to customers at 31 March 2010 and 31 December 2009 are summarised below:

	31 March 2010	31 December 2009
Up to 3 months	16.838.063	15.547.359
3 to 12 months	9.697.603	10.751.937
<b>Current</b>	<b>26.535.666</b>	<b>26.299.296</b>
1 to 5 years	15.451.978	14.222.950
Over 5 years	4.305.470	3.124.318
<b>Non - current</b>	<b>19.757.448</b>	<b>17.347.268</b>
<b>Total</b>	<b>46.293.114</b>	<b>43.646.564</b>

The repricing schedule of loans and advances to customers at 31 March 2010 and 31 December 2009 are summarised below:

	31 March 2010	31 December 2009
Up to 3 months	25.117.519	24.215.340
3 to 12 months	12.972.050	11.850.957
1 to 5 years	7.198.254	6.685.706
Over 5 years	1.005.291	894.561
<b>Total</b>	<b>46.293.114</b>	<b>43.646.564</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 18 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

Long-term and the short-term lease receivables of Ak Finansal Kiralama A.Ş., as a subsidiary of Akbank, at 31 March 2010 amounts to TL 943.852 (31 December 2009: TL 963.800).

##### b) Insurance

	31 March 2010	31 December 2009
Receivables from insurance operations (net)	279.345	295.889

#### NOTE 19 - PAYABLES FROM FINANCE SECTOR OPERATIONS

##### a) Banking

	31 March 2010			31 December 2009		
	Demand	Time	Total	Demand	Time	Total
Savings deposits	3.227.679	36.034.123	39.261.802	3.185.461	35.404.228	38.589.689
Commercial deposits	4.134.121	11.123.906	15.258.027	3.970.256	12.754.480	16.724.736
Bank deposits	147.733	14.940.790	15.088.523	194.458	12.936.460	13.130.918
Funds deposited under repo transactions	-	4.203.586	4.203.586	-	3.891.294	3.891.294
Other	416.986	1.030.601	1.447.587	375.318	957.181	1.332.499
<b>Total</b>	<b>7.926.519</b>	<b>67.333.006</b>	<b>75.259.525</b>	<b>7.725.493</b>	<b>65.943.643</b>	<b>73.669.136</b>

##### b) Insurance

	31 March 2010	31 December 2009
Payables from insurance operations (net)	39.974	70.657
Insurance technical reserves	851.882	804.294
<b>Total</b>	<b>891.856</b>	<b>874.951</b>

#### NOTE 20 - RELATED PARTY DISCLOSURES

##### Key management personnel compensation:

The Group defined its key management as board of directors, general manager, general secretary, group chiefs, head of departments and group directors belonging to A group and over. Short term benefits include wages, bonuses, social security, health insurance, unused vacation, premium bonuses and incentive premiums. Other long term benefits include private pension system payments. Benefits resulted from discharge include severance pay and unused vacation payments for executive management who is discharged as a result of transfer or retirement.

The detailed schedule of compensation paid or payable to key management for the three month periods ended 31 March 2010 and 2009 are as follows:

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 20 - RELATED PARTY DISCLOSURES (Continued)

	31 March 2010	31 December 2009
Short term benefits	7.320	6.711
Benefits resulted from discharge	37	175
Other long term benefits	61	61
<b>Total</b>	<b>7.418</b>	<b>6.947</b>

#### NOTE 21 - FINANCIAL RISK MANAGEMENT

##### Foreign Exchange Risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency assets and liabilities to local currency. These risks are monitored and limited by analysing foreign currency position. The Group aims to lower foreign exchange risk arising from assets and liabilities by using swap and forward derivative instruments.

The difference between the assets and liabilities of Akbank both denominated in foreign currency is defined as the "Net Foreign Currency ("FC") position" and is the exposure to foreign currency risk. Another dimension of the foreign exchange risk is the change in the value of the foreign currencies themselves within the net FC position (cross rate risk). The Bank keeps the amount exposed to foreign exchange risk within the limits determined by the Risk Management Committee. The Risk Management Committee monitors the general economic conditions and developments in the markets and sets new limits when necessary. These limits are set and monitored separately for the net FC position and for the cross rate risk. When necessary swap and forward contracts are used as a tool to hedge the foreign exchange risk.

The Group is exposed to foreign exchange risk arising primarily from the EUR, USD and GBP.

Foreign currency denominated assets and liabilities held by the Group before consolidation eliminations at 31 March 2010 and 31 December 2009 terms of TL are as follows:

	31 March 2010	31 December 2009
Assets	39.132.369	38.195.918
Liabilities	(39.435.137)	(38.901.929)
<b>Net foreign currency balance sheet position</b>	<b>(302.768)</b>	<b>(706.011)</b>
Net foreign currency position of off-balance sheet derivative financial instruments	80.985	438.477
<b>Net foreign currency balance sheet and off-balance sheet position</b>	<b>(221.783)</b>	<b>(267.534)</b>

## HACI ÖMER SABANCI HOLDİNG A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

#### NOTE 21 - FINANCIAL RISK MANAGEMENT (Continued)

31 March 2010

	TL Equivalent	USD	EUR	GBP	Other
<b>Assets:</b>					
Cash and cash equivalents	5.565.777	2.618.015	2.788.665	91.202	67.895
Financial assets	8.222.195	5.648.432	2.573.763	-	-
Receivables from financial operations	23.345.642	15.929.516	7.313.434	17.060	85.632
Reserve deposits at Central Bank	1.355.254	325.388	1.029.866	-	-
Trade receivables	538.412	153.823	326.482	13.249	44.858
Other current assets	105.089	20.835	41.646	1.810	40.798
<b>Other non-monetary receivables and assets</b>	<b>39.132.369</b>	<b>24.696.009</b>	<b>14.073.856</b>	<b>123.321</b>	<b>239.183</b>
<b>Liabilities:</b>					
Funds borrowed and debt securities in issue	11.111.528	6.421.284	4.545.183	8.145	136.916
Customer deposits	27.364.214	14.162.540	12.037.001	896.477	268.196
Trade payables	318.805	85.477	139.514	4.821	88.993
Other payables and provisions	640.590	397.712	179.438	10.189	53.251
<b>Total Liabilities</b>	<b>39.435.137</b>	<b>21.067.013</b>	<b>16.901.136</b>	<b>919.632</b>	<b>547.356</b>
<b>Net foreign currency position of off-balance sheet derivative financial instruments</b>	<b>80.985</b>	<b>(3.740.083)</b>	<b>2.809.744</b>	<b>805.318</b>	<b>206.006</b>
<b>Net foreign currency position</b>	<b>(221.783)</b>	<b>(111.087)</b>	<b>(17.536)</b>	<b>9.007</b>	<b>(102.167)</b>
<b>Net foreign currency monetary position</b>	<b>(221.783)</b>	<b>(111.087)</b>	<b>(17.536)</b>	<b>9.007</b>	<b>(102.167)</b>

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

### NOTE 21 - FINANCIAL RISK MANAGEMENT (Continued)

#### 31 December 2009

	TL Equivalent	USD	EUR	GBP	Other
<b>Assets:</b>					
Cash and cash equivalents	5.032.658	3.330.513	1.554.336	95.623	52.186
Financial assets	9.090.799	6.022.361	3.068.438	-	-
Receivables from financial operations	22.074.268	14.558.560	7.342.218	14.646	158.844
Reserve deposits at Central Bank	1.348.499	423.820	924.679	-	-
Trade receivables	547.185	139.387	355.586	11.302	40.910
Other current assets	102.509	19.765	43.683	3.023	36.038
<b>Other non-monetary receivables and assets</b>	<b>38.195.918</b>	<b>24.494.406</b>	<b>13.288.940</b>	<b>124.594</b>	<b>287.978</b>
<b>Liabilities:</b>					
Funds borrowed and debt securities in issue	10.275.704	6.528.550	3.571.467	9.573	166.114
Customer deposits	27.580.742	14.641.328	11.919.870	786.360	233.184
Trade payables	287.129	69.539	109.842	203	107.545
Other payables and provisions	758.354	617.697	105.501	1.756	33.400
<b>Total Liabilities</b>	<b>38.901.929</b>	<b>21.857.114</b>	<b>15.706.680</b>	<b>797.892</b>	<b>540.243</b>
<b>Net foreign currency position of off-balance sheet derivative financial instruments</b>	<b>438.477</b>	<b>(2.883.008)</b>	<b>2.428.538</b>	<b>707.295</b>	<b>185.652</b>
<b>Net foreign currency position</b>	<b>(267.534)</b>	<b>(245.716)</b>	<b>10.798</b>	<b>33.997</b>	<b>(66.613)</b>
<b>Net foreign currency monetary position</b>	<b>(267.534)</b>	<b>(245.716)</b>	<b>10.798</b>	<b>33.997</b>	<b>(66.613)</b>

	31 March 2010	31 March 2009
Total export	319.394	284.619
Total import	369.763	271.051

#### *Ratio of the total hedging of foreign currency exposure*

	31 March 2010	31 December 2009
USD	117%	112%
EUR	83%	85%
GBP	13%	16%

# HACI ÖMER SABANCI HOLDİNG A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

### NOTE 21 - FINANCIAL RISK MANAGEMENT (Continued)

The following table summarizes the sensitivity of Group companies to the fluctuations in the foreign exchange rates for the three-month period ended 31 March 2010 and year ended 31 December 2009.

31 March 2010	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
USD net assets/liabilities	(13.943)	13.943	-	-
Hedged items	-	-	-	-
<b>USD net effect</b>	<b>(13.943)</b>	<b>13.943</b>	-	-
Change in EUR against TL by 10%				
EUR net assets/liabilities	(23.696)	23.696	-	-
Hedged items	-	-	-	-
<b>EUR net effect</b>	<b>(23.696)</b>	<b>23.696</b>	-	-
Change in GBP against TL by 10%				
GBP net assets/liabilities	2.396	(2.396)	-	-
Hedged items	-	-	-	-
<b>GBP net effect</b>	<b>2.396</b>	<b>(2.396)</b>	-	-
Change in other currency against TL by 10%				
Other currency net assets/liabilities	(10.346)	10.346	-	-
Hedged items	-	-	-	-
<b>Other currency net effect</b>	<b>(10.346)</b>	<b>10.346</b>	-	-
	<b>(45.589)</b>	<b>45.589</b>		
<b>31 December 2009</b>				
Change in USD against TL by 10%				
USD net assets/liabilities	(16.023)	16.023	-	-
Hedged items	-	-	-	-
<b>USD net effect</b>	<b>(16.023)</b>	<b>16.023</b>	-	-
Change in EUR against TL by 10%				
EUR net assets/liabilities	(19.951)	19.951	-	-
Hedged items	-	-	-	-
<b>EUR net effect</b>	<b>(19.951)</b>	<b>19.951</b>	-	-
Change in GBP against TL by 10%				
GBP net assets/liabilities	2.728	(2.728)	-	-
Hedged items	-	-	-	-
<b>GBP net effect</b>	<b>2.728</b>	<b>(2.728)</b>	-	-
Change in other currency against TL by 10%				
Other currency net assets/liabilities	(12.943)	12.943	-	-
Hedged items	-	-	-	-
<b>Other currency net effect</b>	<b>(12.943)</b>	<b>12.943</b>	-	-
	<b>(46.189)</b>	<b>46.189</b>		

## **HACI ÖMER SABANCI HOLDİNG A.Ş.**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2010**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated. Currencies other than TL are expressed in thousands unless otherwise indicated.)

---

#### **NOTE 22 - EVENTS AFTER THE BALANCE SHEET DATE**

It was resolved in the General Assembly of Hacı Ömer Sabancı Holding A.Ş. dated 12 May 2010 that after allocating Class 1 Legal Reserves in the amount of TL 20.647 from the consolidated net profit of TL 1.258.481 related to 2009, TL 204.040 gross cash would be given to stock holders who represent a capital of TL 2.040.404 and remaining profit would be allocated for Extraordinary Reserves, and dividend payments would be started on 13 May 2010.

.....